

NTABANKULU LOCAL MUNICIPALITY



Ntabankulu Draft Budget

3 Year Plan: 2012 to 2015

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2. MAYORAL SPEECH

The term of this council has started in May 2011. We have since, committed ourselves in creating a municipality that is responsive to the aspirations of our people.

This has been the driving tool behind the Vision and Mission that we have set ourselves in order to carry out the work of our institution successfully. We have crafted a set of organizational values to constantly remind ourselves of the mandate we set to fulfill.

The municipality has set itself a commitment to strengthen the political and administrative arms and relations inter alia, to ensure stability and enable the institution to carry out its obligation in a manner that is coherent and in harmony with the constitutional requirements of a developmental local state.

Subsequently we have structured our administration in a manner that shall prompt a responsive approach to the objectives of the political leadership as enshrined in the IDP as a strategic guiding tool.

In carrying out our legislative obligation in formulating the IDP, as a Municipality we have emphasized our efforts on consultation and participation of the community, thereby capturing the needs and inspirations of the community. This we have done on a conviction that our IDP should be a people based strategic document to carry out successfully our mission of *"Ensuring the optimal use of resources effectively through active community participation"*

The municipality has asserted to develop human capital in pursuit to ensure sustainable communities. This we committed to achieve through a system of Local Government that provides sustainable services and by optimally exploiting all those areas that have a potential to harness our economic growth initiatives. Furthermore we are confident that we shall continue to engage effective strategies to attract direct investment and increase our revenue.

We are confident that we have put in place effective organizational systems that will enable us to continue a clean and transparent institution. We are also confident that our internal controls further enhance our compliance requirements and to ensure our IDP's credibility.

Strategic Focus Areas and Municipal Priority Issues

The following strategic focus areas remain for the 2012/13 financial year:-

- ❑ Institutional Development and Organizational Development
- ❑ Basic service delivery and Infrastructure Development
- ❑ Local Economic Development and Social cohesion
- ❑ Financial Viability and Management and
- ❑ Good Governance and Public Participation

Council has reconfirmed these strategic priorities and they dovetail with the top priority issue for the next three financial years being the restoration of the financial viability of the Municipality.

This draft annual budget is in the approved format outlined in National Treasury Circular No 28 and has the following features:-

- ❑ A balanced operating budget containing expenditure details and realistically anticipated revenue;
- ❑ A balanced budget for capital expenditure that is within realistic funding already secured, together with the projected future financial implications of such capital expenditure;
- ❑ Details of borrowing and other liabilities that will increase the Municipality's debt;
- ❑ Actual results for the previous year; and
- ❑ Projected budget outcomes for the current financial year, the next year's budget and the outer two years.

Within the available resources the draft budget reflects the Council's IDP and details the methods of funding.

An in-depth review of revenue has taken place and the level of spending is limited by the availability of revenue. In addition the ability of consumers to pay the revised tariffs has been taken into consideration.

The draft operating budget is a balanced one and totals R71,5 million, which funds the continued provision of services provided by the municipality.

Funding is obtained from various sources and the proportions which are received from services such as refuse removal and disposal as well as from property rates 4% and from grants and subsidies received from the National and Provincial Governments 96%.

The major expenditure items are staff costs 45%, repairs and maintenance 5% and general expenses 46%.

An additional provision of R4 774 000 which is 7% of the operational budget, has been set aside to cover possible bad debts from rates and charges not collected, leaves, depreciation and rehabilitation site.

Because of limited funds a number of issues such as maintenance backlogs, inadequate provisions, staffing requirements, etc are not fully covered. However planning and development of strategies to address these issues are part of the continuing financial management programme.

The draft capital budget is balanced and totals R28,6 million funded through revenue from National Government grants 92% and internally funded 8%.

The following items are long term issues that require additional information before their full effect is known.

- ❑ Maintenance backlogs in respect of Council's assets – a long term strategy is required.
- ❑ Organizational Structure review and the impact on the personnel expenditure target.
- ❑ Finalisation of property valuations and the impact on property rates levied.

The community consultation process will take place during the month of April and when completed only minor adjustments to the budget tabled in will be required. The process will include councilors and officials visiting each of the 18 wards and outlining the planned activities contained in the draft IDP/Budget.

I am confident that if we continue to work together as Government, Business, Communities, NGO's CBO's Political formations and Civil organization, we can do more than just what we have set ourselves to do.

.....
Honorable Mayor
Z. Lwana

3 BUDGET RELATED RESOLUTIONS

Budget for 2012/13

3.1 Council resolves that the draft multi-year annual budget of capital and operating expenditure for 2012/2013 and the indicated two outer years of 2013/2014 and 2014/2015 which will be tabled for public scrutiny and input be approved for community consultation as set out by the following amended tables:

- ❑ Table A1 Budget summary
- ❑ Table A2 : Budgeted financial performance (revenue and expenditure by standard classification)
- ❑ Table A3 : Budgeted financial performance (revenue and expenditure by municipal vote)
- ❑ Table A4 : Budget financial performance (revenue and expenditure)
- ❑ Table A5 : Budgeted capital expenditure by vote and funding
- ❑ Table A6 : Budgeted financial position
- ❑ Table A7 : Budgeted cash flows
- ❑ Table A8 : Cash backed reserves / accumulate surplus reconciliation
- ❑ Table A9 : Asset management

- ❑ Table SA 36 : Budgeted capital expenditure by programme name

Multi Year Capital Budget

3.2 Council resolves that multi-year capital appropriations by vote and associated funding reflected in Table A5 be approved.

Property Rates and other Municipal Tax

3.3. That, in terms of section 24 of the Local Government Municipal Property Rates Act, Act 6 of 2004, rates differentiating among the different categories of properties determined by the actual use, the zoning and/or permitted use of properties, for property tax be levied on market value of all rateable properties within the municipal area for the financial year 1 July 2012 to 30 June 2013, provided that rebates, as indicated, on application be allowed:.

Tariffs and Charges

3.4 Council resolves that the following tariffs and charges be applied.

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Old Tariffs 2010-2011	Proposed Increase/ Decrease	New Tariffs 2011- 2012
Property Rates	Domestic	R0.01	-0.02	R0.008
	Business	R0.0125	0	R0.0125
	Government	R0.02	0.01	R0.03
Senior citizens with property valued less than R200.000.00		R600.00 per annum	R1000	R1600.00 per annum
Refuse Removal	Domestic	R60.00	0	R60.00
	Government	R80.01	0	R90.00
	Business	R80.01	0	R90.00
Burial and Cemeteries	Single Grave once off	R100	0	R100.00
	Double grave once off	R190	0	R190.00
	Renewal fee for Double grave & Single grave	NEW		R50.00
Library Membership Fee		R50 per annum	0	R50 per annum
Rental Office	Large Businesses	R71.50 per square meter	10%	R78.65 per square meter
	Small Businesses	R27.50 per square meter	10%	R30.25 per square meter
Rental :Municipal Hall	Independently (Private use)	R50.00 per hour	10%	R55.00 per hour
	Business & Government	NEW	0	R100.00 per hour
Building Plan fees	Commercial, industrial Government	R5.00 per square meter	0	R5.00 per square meter
	Low cost funded by DPT of human settlement	R5.00 per square meter	0	R5.00 per square meter
	Residential by individual owners	R4.00 per square meter	0	R4.00 per square meter

	Administration for alteration in the existing building (extending, fitting of glasses.etc)	NEW		R250.00
	PENALTY-Administration for as built plans	NEW		R300.00
Trading Tariffs	Hawkers <ul style="list-style-type: none"> Fruit & Vegetables Clothing 	R50.00 R70.00	0 0	R50.00 per annum Renewal R20.00 per annum R70.00 per annum Renewal R50.00 per annum
	Business Licences , General dealers & Taverns	R500.00	0	R500.00 per annum Renewal R250.00 per annum
	Shebbens, Public Phones, Bookshops & Tuck shops	R450.00	0	R450.00 per annum Renewal R200.00 per annum
Advertising	1.5 m x 3.0m	R120.00 per structure per month	0	R120.00 per structure per month
	3.0m x 6.0m	R209.00 per structure per month	0	R209.00 per structure per month
Clearance certificate		R10	0	R10
Pound Fees	Pound fee-(Livestock small and Large)	R45.00 per head NEW	0	R45.00 per head for impounding and additional R25.00 for 12hrs per head
Waste Removal		R50.00	0	R150.00

Garden Waste Removal Fees		R20.00	0	R120.00
Spot fines for illegal dumping	Households	NEW		R200.00
	General Practitioners (Surgeries & Clinics)	NEW		R500.00
	Business entities	NEW		R300.00
Honey Sucker	Residential	R80.00 per load	0	R80.00 per load
	Religious	R80.00 per load plus R5.80 per kilometer	0	R80.00 per load plus R5.80 per kilometer
	Government & Business	R100.00 per load plus R5.80 per kilometer	0	R100.00 per load plus R5.80 per kilometer
Services rendered by Traffic	Copy of accidents report from OAR/AR	NEW		R50.00 search fee & R8.00 per page
	Furnishing of information to 3 rd party of person involved in an accident or witness	NEW		R70.00 for accident report with all information
	Sketch plan & photographs of a motor vehicle involved in an accident	NEW		R255.00 per sketch plan R405.00 per scale plan

Measurable Performance Objectives

3.5 Council resolves that the measurable performance objectives for revenue from each source and for each vote reflect the draft budget.

Integrated Development Plan

3.6 Council resolves to approve the publication of the 2012/2017 Draft Integrated Development Plan for public scrutiny.

Budget Related Policies

3.7 Council resolves that the following Draft Budget policies be made available for public participation.

- ☐ Indigent Policy for 2012/2013
- ☐ Investment Policy for 2012/2013
- ☐ Property Rates Policy for 2012/2013
- ☐ Property Rates By-law for 2012/2013
- ☐ Write Off Policy for 2012/2013
- ☐ Fraud Prevention policy for 2012/2013
- ☐ Asset Management Policy for 2012/2013

Cashflow

3.8 Council resolves that the projects identified for electrification and solid waste management are subject to funds available from grants in respect of Integrated National Electrification Programme (Municipal) Grant and Expanded Public Works Programme Incentive Grant for Municipalities.

4 THE BUDGET

This section contains an Executive Summary of the draft annual budget, highlighting the processes and assumptions which lead to the compilation of the draft annual budget.

4.1 Executive Summary

Overview

The budget process is governed by the Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act 32 of 2000. The objective process is to ensure good governance and accountability and enables the municipality to involve residents and other stakeholders in the budgeting process.

The Local Government Municipal Finance Management, Act 56 of 2003.

16 (1) The council of a municipality must each financial year approve an annual budget before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least **90** days before the start of the budget year.

(3) Subsection **(1)** does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

4.1.2 Key assumptions

4.1.2.a National Treasury provided guidance in MFMA Circular No. 58 issued in terms of Municipal Finance Management Act No. 56 of 2003 regarding inflation:-

Fiscal year	2010 Actual	2011 Estimate	2011/12	2012/13 Forecast	2013/14
Headline CPI Inflation	3.3%	5.0%	5.4%	5.6%	5.4%

4.1.2.b The inflation rate to be used for calculating wage increases

The period of the salary and Wage Collective Agreement 2009/10 to 2011/2012 has come to an end. In the absence of other information from the South African Local Government Bargaining Council, we have utilised the previous year National Treasury benchmarking to calculate the salary adjustment which is 6.08%

Note that Municipal Managers and those employees appointed as managers directly accountable to the Municipal Managers in terms of Section 57(6) of the Municipal Systems Act 32 of 2000 are included in the above mentioned calculation in which 6.08% has been utilised.

4.1.2.c For the period 1 July 2012 to 30 June 2013, Eskom will increase the municipal tariff rates for bulk electricity by 27.06 per cent.

4.1.3 National Treasury guide lines in terms of allocations

MFMA Circular No. 55 states:

Mayor's discretionary funds and similar discretionary budget allocations

It has been observed that many municipal budgets contain sub-votes or allocations to "Mayoral Discretionary Funds", "Special Projects", "Special Events" or similar discretionary type funds.

- ❑ National Treasury regards these types of allocations as a bad practice because:
- ❑ It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the

basic needs of the community, and to promote the social and economic development of the community (see section 153(a) of the Constitution);

- ❑ They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of 'vote' in section 1 of the
- ❑ MFMA);
- ❑ They undermine the budget consultation processes since the intended use of the
- ❑ funds is not transparently reflected in the tabled budget; and
- ❑ There is a risk that they may be abused for personal gain or to improperly benefit
- ❑ another person or organisation.

Therefore National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated.

Further key issues to be noted in MFMA Circular No. 55 are set out in **ANNEXURE A**

4.2 BUDGET SCHEDULES

4.2.1 Table A1 : Budget summary

EC444 Ntabankulu - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands										
Financial Performance										
Property rates	-	-	-	1 241	-	1 241	-	1 479	1 593	1 715
Service charges	-	-	-	89	-	66	-	98	106	114
Investment revenue	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	58 788	(453)	58 335	-	66 509	71 288	74 258
Other own revenue	-	-	-	1 620	-	1 620	-	1 718	1 851	1 993
Total Revenue (excluding capital transfers and contributions)	-	-	-	61 737	(453)	61 262	-	69 804	74 837	78 080
Employee costs	-	-	-	22 501	-	22 501	-	23 869	25 502	26 872
Remuneration of councillors	-	-	-	7 759	-	7 759	-	8 231	8 644	9 251
Depreciation & asset impairment	-	-	-	304	-	304	-	2 500	2 693	2 900
Finance charges	-	-	-	52	-	52	-	200	215	232
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	31 061	3 976	35 037	-	36 794	38 711	40 736
Total Expenditure	-	-	-	61 677	3 976	65 653	-	71 593	75 765	79 991
Surplus/(Deficit)	-	-	-	60	(4 429)	(4 391)	-	(1 789)	(928)	(1 911)
Transfers recognised - capital	-	-	-	34 664	-	34 664	-	28 853	45 163	36 618
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	34 724	(4 429)	30 273	-	27 064	44 235	34 707
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	34 724	(4 429)	30 273	-	27 064	44 235	34 707
Capital expenditure & funds sources										
Capital expenditure	-	-	-	36 729	800	35 929	-	30 064	36 993	29 072
Transfers recognised - capital	-	-	-	34 664	-	34 664	-	28 853	45 163	36 618
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	34 664	-	34 664	-	28 853	45 163	36 618
Financial position										
Total current assets	-	-	-	-	-	-	-	-	-	-
Total non current assets	-	-	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	-	-	-	37 460	(702)	36 758	-	27 564	36 228	(1 871)
Net cash from (used) investing	-	-	-	(36 229)	800	(35 429)	-	(30 064)	(36 993)	(29 072)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	1 231	98	1 329	-	(2 500)	(3 265)	(34 208)
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	-	-	-	-	-	-	-
Application of cash and investments	-	-	-	-	-	-	-	-	-	-
Balance - surplus (shortfall)	-	-	-	-	-	-	-	-	-	-
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	304	-	304	2 500	2 500	2 693	2 900
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	-	-	-	800	1 700	-	2 800	2 800	2 974	3 149
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

4.2.2 Table A2 : Budgeted financial performance (revenue and expenditure by standard classification)

EC444 Ntabankulu - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		-	-	-	96 401	3 274	99 675	98 657	111 455	78 080
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	96 401	3 274	99 675	98 657	111 455	78 080
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	-	-	96 401	3 274	99 675	98 657	111 455	78 080
Expenditure - Standard										
<i>Governance and administration</i>		-	-	-	36 275	1 233	37 508	46 755	50 218	52 141
Executive and council		-	-	-	10 638	2 599	13 237	12 638	13 358	14 328
Budget and treasury office		-	-	-	12 399	50	12 449	19 026	20 625	20 329
Corporate services		-	-	-	13 238	(1 416)	11 822	15 091	16 235	17 485
<i>Community and public safety</i>		-	-	-	9 910	-	9 910	9 678	10 423	11 226
Community and social services		-	-	-	7 737	-	7 737	7 244	7 802	8 403
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	2 173	-	2 173	2 434	2 621	2 823
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	48 124	-	49 657	42 722	50 392	43 447
Planning and development		-	-	-	46 737	-	48 270	41 251	48 807	41 741
Road transport		-	-	-	1 387	-	1 387	1 471	1 585	1 707
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	1 792	-	1 792	2 002	2 156	2 322
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	1 792	-	1 792	2 002	2 156	2 322
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	-	-	96 101	1 233	98 867	101 157	113 189	109 137
Surplus/(Deficit) for the year		-	-	-	301	2 041	809	(2 500)	(1 734)	(31 057)

Table A3 : Budgeted financial performance (revenue and expenditure by municipal vote)

EC444 Ntabankulu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote		1									
Vote 1 - Council			-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager			-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury			-	-	-	96 401	4 180	99 675	98 657	111 455	78 080
Vote 4 - Strategic			-	-	-	-	-	-	-	-	-
Vote 5 - HR			-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure			-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety			-	-	-	-	-	-	-	-	-
Vote 8 - Traffic Equipments			-	-	-	-	-	-	-	-	-
Vote 9 - Refuse Departments			-	-	-	-	-	-	-	-	-
Vote 10 - Cemetery and Pound			-	-	-	-	-	-	-	-	-
Vote 11 - Community Services			-	-	-	-	-	-	-	-	-
Vote 12 - Corporate Administration			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	-	-	-	96 401	4 180	99 675	98 657	111 455	78 080
Expenditure by Vote to be appropriated		1									
Vote 1 - Council			-	-	-	8 209	376	8 585	8 625	9 068	9 708
Vote 2 - Office of the Municipal Manager			-	-	-	2 428	2 223	4 651	4 013	4 290	4 620
Vote 3 - Budget & Treasury			-	-	-	12 399	50	12 449	19 026	20 625	20 329
Vote 4 - Strategic			-	-	-	7 362	-	7 362	6 512	6 809	7 279
Vote 5 - HR			-	-	-	11 099	(1 275)	9 824	2 350	2 513	2 707
Vote 6 - Infrastructure			-	-	-	39 375	-	40 908	34 739	41 998	34 462
Vote 7 - Public Safety			-	-	-	2 173	-	2 173	2 434	2 621	2 823
Vote 8 - Traffic Equipments			-	-	-	1 387	-	1 387	1 471	1 585	1 707
Vote 9 - Refuse Departments			-	-	-	1 792	-	1 792	2 002	2 156	2 322
Vote 10 - Cemetery and Pound			-	-	-	824	-	824	874	941	1 014
Vote 11 - Community Services			-	-	-	6 913	-	6 913	6 370	6 861	7 389
Vote 12 - Corporate Administration			-	-	-	11 099	-	9 824	12 741	13 722	14 778
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	-	-	-	105 061	1 374	106 693	101 157	113 189	109 137
Surplus/(Deficit) for the year		2	-	-	-	(8 660)	2 806	(7 018)	(2 500)	(1 734)	(31 057)

4.2.4 Table A4 : Budget financial performance (revenue and expenditure)

EC444 Ntabankulu - Table A4 Budgeted Financial Performance (revenue and expenditure)

EC-444 Ntabankulu - Table A4 Budgeted Financial Performance (revenue and expenditure)									2012/13 Medium Term Revenue & Expenditure Framework		
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				Budget Year	Budget Year	Budget Year
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	2012/13	+1 2013/14	+2 2014/15
Revenue By Source											
Property rates	2	-	-	-	1 241	-	1 241	-	1 479	1 593	1 715
Property rates - penalties & collection charges						-					
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	22	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	66	-	66	-	98	106	114
Service charges - other											
Rental of facilities and equipment					880	-	880		934	1 006	1 083
Interest earned - external investments											
Interest earned - outstanding debtors											
Dividends received											
Fines					629		629		667	718	774
Licences and permits											
Agency services											
Transfers recognised - operational					58 788	(453)	58 335		66 509	71 288	74 258
Other revenue	2	-	-	-	111	-	111	-	117	126	136
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	61 737	(453)	61 262	-	69 804	74 837	78 080
Expenditure By Type											
Employee related costs	2	-	-	-	22 501	-	22 501	-	23 869	25 502	26 872
Remuneration of councillors					7 759	-	7 759		8 231	8 644	9 251
Debt impairment	3				800	-	800		500	539	580
Depreciation & asset impairment	2	-	-	-	304	-	304	-	2 500	2 693	2 900
Finance charges					52	-	52		200	215	232
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		-	-	-	1 180	1 283	2 463	-	3 160	3 403	3 665
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	-	29 081	2 693	31 774		33 134	34 769	36 491
Loss on disposal of PPE											
Total Expenditure		-	-	-	61 677	3 976	65 653	-	71 593	75 765	79 991
Surplus/(Deficit)		-	-	-	60	(4 429)	(4 391)	-	(1 789)	(928)	(1 911)
Transfers recognised - capital					34 664	-	34 664		28 853	45 163	36 618
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		-	-	-	34 724	(4 429)	30 273	-	27 064	44 235	34 707
Taxation											
Surplus/(Deficit) after taxation		-	-	-	34 724	(4 429)	30 273	-	27 064	44 235	34 707
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	34 724	(4 429)	30 273	-	27 064	44 235	34 707
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-	-	-	34 724	(4 429)	30 273	-	27 064	44 235	34 707

4.2.5 Table A5 : Budgeted capital expenditure by vote and funding

EC444 Ntabankulu - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 4 - Strategic		-	-	-	-	-	-	-	-	-	-
Vote 5 - HR		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	34 689	-	34 689	-	88 522	-	-
Vote 7 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 8 - Traffic Equipments		-	-	-	-	-	-	-	-	-	-
Vote 9 - Refuse Departments		-	-	-	-	-	-	-	-	-	-
Vote 10 - Cemetery and Pound		-	-	-	-	-	-	-	-	-	-
Vote 11 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 12 - Corporate Administration		-	-	-	2 040	(800)	1 240	-	7 607	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	36 729	(800)	35 929	-	96 129	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 4 - Strategic		-	-	-	-	-	-	-	-	-	-
Vote 5 - HR		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 8 - Traffic Equipments		-	-	-	-	-	-	-	-	-	-
Vote 9 - Refuse Departments		-	-	-	-	-	-	-	-	-	-
Vote 10 - Cemetery and Pound		-	-	-	-	-	-	-	-	-	-
Vote 11 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 12 - Corporate Administration		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		-	-	-	36 729	(800)	35 929	-	96 129	-	-
Capital Expenditure - Standard											
Governance and administration		-	-	-	2 040	800	1 240	-	2 350	2 531	2 726
Executive and council											
Budget and treasury office											
Corporate services					2 040	800	1 240		2 350	2 531	2 726
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
Economic and environmental services		-	-	-	34 689	-	34 689	-	27 714	34 462	26 346
Planning and development											
Road transport					34 689	-	34 689		27 714	34 462	26 346
Environmental protection											
Trading services		-	-	-	-	-	-	-	-	-	-
Electricity											
Water											
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Standard	3	-	-	-	36 729	800	35 929	-	30 064	36 993	29 072
Funded by:											
National Government					34 664	-	34 664		28 853	45 163	36 618
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	34 664	-	34 664	-	28 853	45 163	36 618
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	-	-	-	34 664	-	34 664	-	28 853	45 163	36 618

4.2.6 Table A6 : Budgeted financial position

EC152 Ntabankulu - Table A6 Budgeted Financial Position

EC-132 Nabankura - Table A0 Budgeted Financial Position											
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
ASSETS											
Current assets											
Cash				2,563	3,220	3,220	3,220	3,220	2,675	4,230	8,068
Call investment deposits	1	-	-	2,156	2,156	2,156	2,156	2,156	2,081	2,191	2,449
Consumer debtors	1	-	-	2,946	7,974	7,974	7,974	7,974	7,415	8,336	9,163
Other debtors				3,797	3,797	3,797	3,797	3,797	-		
Current portion of long-term receivables											
Inventory	2										
Total current assets		-	-	11,462	17,146	17,146	17,146	17,146	12,171	14,757	19,680
Non current assets											
Long-term receivables											
Investments			400	70	70	70	70	70			
Investment property											
Investment in Associate											
Property, plant and equipment	3	-	-	31,837	68,734	68,734	68,734	68,734	14,266	23,102	35,614
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		-	400	31,907	68,803	68,803	68,803	68,803	14,266	23,102	35,614
TOTAL ASSETS		-	400	43,370	85,950	85,950	85,950	85,950	26,436	37,859	55,294
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	311	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	-	-	6,087	6,398	6,398	6,398	6,398	4,729	4,979	5,253
Provisions					2,698	2,698			2,432	4,741	5,002
Total current liabilities		-	-	6,398	9,096	9,096	6,398	6,398	7,161	9,720	10,255
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		-	-	6,398	9,096	9,096	6,398	6,398	7,161	9,720	10,255
NET ASSETS	5	-	400	36,971	76,853	76,853	79,552	79,552	19,275	28,138	45,039
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)											
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	-	-	-

4.2.7 Table A7 : Budgeted cash flows

EC444 Ntabankulu - Table A7 Budgeted Cash Flows

EC444 Ntabankulu - Table A7 Budgeted Cash Flows												
Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other						2 949	3 727	6 676		3 295	3 549	3 822
Government - operating		1				58 788	(453)	58 335		66 509	71 288	74 258
Government - capital		1				34 664	-	34 664		28 853	36 618	-
Interest												
Dividends												
Payments												
Suppliers and employees						(58 889)	(3 976)	(62 865)		(70 893)	(75 011)	(79 718)
Finance charges						(52)	-	(52)		(200)	(215)	(232)
Transfers and Grants		1										
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	-	-	37 460	(702)	36 758	-	27 564	36 228	(1 871)
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE												
Decrease (Increase) in non-current debtors												
Decrease (increase) other non-current receivables												
Decrease (increase) in non-current investments												
Payments												
Capital assets						(36 229)	800	(35 429)		(30 064)	(36 993)	(29 072)
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	-	-	(36 229)	800	(35 429)	-	(30 064)	(36 993)	(29 072)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans												
Borrowing long term/refinancing												
Increase (decrease) in consumer deposits												
Payments												
Repayment of borrowing												
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD			-	-	-	1 231	98	1 329	-	(2 500)	(765)	(30 942)
Cash/cash equivalents at the year begin:		2		-	-				-		(2 500)	(3 265)
Cash/cash equivalents at the year end:		2	-	-	-	1 231	98	1 329	-	(2 500)	(3 265)	(34 208)

4.2.8 Table A8 : Cash backed reserves / accumulate surplus reconciliation

EC444 Ntabankulu - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	-	1 231	98	1 329	-	(2 500)	(3 265)	(34 208)
Other current investments > 90 days		-	-	-	(1 231)	(98)	(1 329)	-	2 500	3 265	34 208
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	-	-	-	-	-	-	-	-
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	-	-	-	-	-	-	-
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall)		-	-	-	-	-	-	-	-	-	-

4.2.9 Table A9 : Asset management

EC152 Ntabankulu - Table A9 Asset Management

EC132 Ntawankulu - Table A9 Asset Management										
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	30,291	37,201	37,101	37,101	35,732	43,067	34,316
Infrastructure - Road transport		-	-	27,151	36,051	36,051	36,051	33,386	41,083	32,243
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	27,151	36,051	36,051	36,051	33,386	41,083	32,243
Community		-	-	2,500	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	640	1,150	1,050	1,050	2,346	1,984	2,073
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	27,151	36,051	36,051	36,051	33,386	41,083	32,243
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	27,151	36,051	36,051	36,051	33,386	41,083	32,243
Community		-	-	2,500	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	640	1,150	1,050	1,050	2,346	1,984	2,073
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	30,291	37,201	37,101	37,101	35,732	43,067	34,316
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		14,711	12,644	28,697	36,051	35,851	35,851	33,386	41,083	32,243
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		14,711	12,644	28,697	36,051	35,851	35,851	33,386	41,083	32,243
Community		-	-	2,500	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		1,734	974	640	1,150	1,050	1,050	1,860	1,959	2,066
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	16,445	13,619	31,837	37,201	36,901	36,901	35,246	43,042	34,309
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		-	-	-	304	304	304	304	2,500	2,638
Repairs and Maintenance by Asset Class	3	-	-	1,205	1,203	1,543	1,543	1,180	2,227	3,049
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	400	300	300	300	300	1,300	2,072
Infrastructure		-	-	400	300	300	300	300	1,300	2,072
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	805	903	1,243	1,243	880	927	978
TOTAL EXPENDITURE OTHER ITEMS		-	-	1,205	1,507	1,847	1,847	1,484	4,727	5,687
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	3.8%	1.8%	2.2%	2.2%	8.3%	9.6%	8.6%
Renewal and R&M as a % of PPE		0.0%	0.0%	4.0%	3.0%	4.0%	4.0%	3.0%	5.0%	9.0%

EC152 Ntabankulu - Table A9 Asset Management

EC132 Ntabankulu - Table A9 Asset Management										
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	-	-	-	35,732	43,067	34,316
Infrastructure - Road transport		-	-	-	-	-	-	33,386	41,083	32,243
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	33,386	41,083	32,243
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	2,346	1,984	2,073
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	33,386	41,083	32,243
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	33,386	41,083	32,243
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	2,346	1,984	2,073
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	-	-	-	-	35,732	43,067	34,316
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport					64,444	64,444				
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		-	-	-	64,444	64,444	-	-	-	-
Community					2,500	2,500				
Heritage assets										
Investment properties		-	-	-			-	-	-	-
Other assets					1,790	1,490				
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	68,734	68,434	-	-	-	-
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		-	-	-	304	304	-	304	2,500	2,638
Repairs and Maintenance by Asset Class	3	-	-	-	-	-	-	1,180	2,227	3,049
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	300	1,300	2,072
Infrastructure		-	-	-	-	-	-	300	1,300	2,072
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	-	-	-	880	927	978
TOTAL EXPENDITURE OTHER ITEMS		-	-	-	304	304	-	1,484	4,727	5,687

4.2.10 Table SA36 : Capital Budget

EC152 Ntabankulu - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
R thousand	5													
Parent municipality: List all capital projects grouped by Municipal Vote														
					Examples	Examples								
Corporate and Administration					Other Assets	Other Assets				2,346	1,948	2,073		New
Infrastructure					Infrastructure - Road transport	Roads, Pavements & Bridges				33,386	41,083	32,243		New
Total Capital expenditure	1									35,732	43,031	34,316		
Entities: List all capital projects grouped by Entity														
Entity A Water project A														
Entity B Electricity project B														
Total Capital expenditure	2									-	-	-		

5 Budget Process Overview

5.1 Background

Integrated Development Planning is a process through which municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a product of the IDP process. The NLM IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in the municipality. Through Integrated Development Planning which necessitates the involvement of all relevant stakeholders, a municipality:

- Identifies its key development priorities;
- Formulates a clear vision, mission and values;
- Formulates appropriate strategies;
- Develops the appropriate organisational structure and systems to realise the vision and mission; and
- Aligns resources with the developmental priorities.

In terms of the Systems Act, all municipalities have to undertake an IDP process to produce IDPs. As the IDP is a legislative requirement it has a legal status and supersedes all other plans that guide development at local government level.

In a nutshell, the IDP process entails an assessment of the existing level of development and the identification of key development priorities. The vision and mission statements for the long-term development flow from the aforesaid, with specific reference to critical developmental and internal transformational needs. The development strategies and objectives will be directed at bridging the gap between the existing level of development and the vision and mission. A very critical phase of the IDP process is to link planning to the municipal budget (i.e. allocation of internal or external funding to the identified projects); because this will ensure that the IDP directs the development and implementation of projects.

During the past nine years we have made definite progress in enabling the people of this region to enjoy the fruits of liberation and democracy. We have seen substantial improvements made in providing healthcare, building houses and providing sanitation and the bucket system has been eradicated. We have laid a solid foundation and are on course to improving the lives of our communities. As we celebrate the change in our communities, we are also aware of the many challenges we still face. Our fight against poverty and underdevelopment will be further intensified. Our responsibility as a sphere of government is

to ensure that the quality of life of all who live and work in Ntabankulu is improved. We will continue to engage in both progressive and meaningful discussions with our communities to shape a clear path from which governance and development will draw guidance and direction. The council will continue to pursue and encourage community participation programmes, to ensure that our plans are in line with community needs.

We have a responsibility to contribute to the process of transforming the lives of our people from the conditions of abject poverty and underdevelopment. In our fight against poverty and underdevelopment, we are committed to ensuring that equitable service delivery becomes the norm in Ntabankulu. For this reason NLM has to focus inter alia, on the following:

- Build sustainable communities by paying special attention to health education, service delivery, human settlements, environment and safety;
- Develop infrastructure to equalise services upgrade and ensure accessibility and unity in Ntabankulu;
- Grow the economy to be linked with the national and provincial economies, empower the people of the region and build required skills; and
- Developing and implementing integrated plans and strategies for economic and social development; service delivery; infrastructure development; provision of basic services; human development; safety and security; participatory governance; youth development; women empowerment; building integrated and sustainable communities and protection of the environment.

DEVELOPMENT OF THE INTEGRATED DEVELOPMENT PLAN

Guiding Principles

The development of the Integrated Development Plan (IDP) in terms of the Municipal Systems Act was guided and informed by the following principles:

- It must support and work towards achieving the Vision, Mission, Values and the Strategic Priorities of the NLM;
- Focus on service delivery in terms of the eradication of backlogs and the maintenance of infrastructure;
- Address community priorities (needs) as identified in the 2012-2017 IDP as well as newly identified priorities; and
- The review of the IDP focused on formulating measurable performance indicator targets for five, three and one year. These targets informed the preparation of the multi-year budgets, as well as the draft SDBIP.
- All departmental plans have been submitted via the IDP Steering Committee Meetings to the Council Strategic Session Steering Committees for formal approval. This must go hand-in-hand with the departmental draft budgets and SDBIP.

The deadlines in the process plan for the Development of the 2012/2017 IDP and preparation of the Multi-Year Budget for the 2012/13 year is reflected below:

NO	PRIORITY AREA	ACTIVITY	PURPOSE	RESPONSIBLE PERSON	TARGET DATE
Phase 0: Preparation: July – Aug 2011					
1	IDP, Budget, SDBIP and PMS	Obtain District Framework	Alignment of plans with the district municipality	IDP and PMS Coordinator	15 Jul 11
2	IDP, Budget, SDBIP and PMS	Prepare IDP, Budget, SDBIP and PMS Process Plan	To guide planning, drafting and adoption of reviewed IDP, Budget, SDBIP and PMS	IDP and PMS Coordinator	29 Jul 11
3	IDP, Budget, SDBIP and PMS	Present Draft Process Plan to Council Strategic Session/IDP Steering Committee	To set platform to determine objectives, roles and responsibilities for all role players for 2012/2017 IDP, Budget, SDBIP and PMS process	IDP and PMS Coordinator/ Strategic Manager	2 -5 Aug 11
4	IDP, Budget, SDBIP and PMS	Present Process plan to EXCO and Council	Approval of the process plan by Council	Council/MM	29 Aug 11
Phase 1 Analysis: Sept – Oct 2011					
5	IDP, Budget, SDBIP and PMS	Submission of IDP Process plan to the district	Alignment of plans and uphold cooperative governance	Strategic Manager	05 Sep 11
6	IDP, Budget, SDBIP and PMS	Submission of IDP Process plan to the DLGTA.	Alignment of IDP and Budgeting processes with the Provincial and National Budgeting processes.	Strategic Manager	05 Sept 11

7	IDP, Budget, SDBIP and PMS	Advertise IDP Process Plan to public	Solicit Public input on the IDP process plan	IDP and PMS Coordinator	5 Sep 11
8	Community Based Planning	Community Based Planning	Conduct Workshop on Community Based Planning: Ward Committees, Ward Councillors, Traditional Leaders and all other major role players	Strategic Manager	8 Sept 11
9	IDP, Budget, SDBIP and PMS	Community Based Planning	Conduct community based planning to collect data from ward 1 - 18	IDP and PMS Coordinator	12-30 Sep 11
10	PMS	Management Meeting: PMS Progress Reporting 11/12 Quarter 1	Evaluate Achievement of targets of identity service delivery gaps	MM/Managers	3-4 Oct 11
11	PMS	Standing Committee Meeting: PMS Progress Reporting 11/12 Quarter 1	Evaluate Achievement of targets of identity service delivery gaps	Managers/ Portfolio Heads	5-7 Oct 11
12	PMS	EXCO Meeting: PMS Progress Reporting 10/11 Quarter 1	Evaluate Achievement of targets of identity service delivery gaps	MM/EXCO	11 Oct 11
13	PMS	Council Meeting: PMS Progress Reporting 10/11 Quarter 1	Evaluate Achievement of targets of identity service delivery gaps	MM/COUNCIL	21 Oct 11
14	IDP and IGR	Coordinate 1 st IDP Steering Committee/Intersectoral Forum	Presentation 1 st and 2 nd Quarter 11/12 Progress Reports Reports by Departments, and 1 st 11/12 Quarterly report by NLM	MM/Sub-sector Forum	28 Oct 11

Phase 2: Objectives and Strategies: Nov – Dec 2011					
15	IDP	Consolidate reports from departments and NLM	To inform situational analysis	IDP and PMS Coordinator	3 Nov 11
16	IDP	Review situational analysis (sector and spatial planning)	To inform 2012/17 IDP objectives and strategies and projects	IDP and PMS Coordinator and Strategic Manager	7 Nov 11
17	IDP	IDP Representative Forum	Sector department engagement	IDP and PMS Coordinator	15 Nov 11
18	Budget	Coordinate Workshop on review budget policies, tariff by-laws	Budget policy guidelines and tariff policy to and approval by council	MM/CFO/Council	17 Nov 11
19	IDP	2 nd IDP Steering Committee/Intersectoral forum	Situational Analysis Draft 2012/13 Plan and Budget	MM/Sub-sector forum	9 Dec 11
Jan – Mar 2012					
20	Budget and PMS	Management Legotla	2010/11 Annual Report, 2011/12 Half year report and Adjustment Budget, SDBIP Turnaround Presentation and adoption of audit findings and action plan	MM, CFO, Council	11 - 13 Jan 12
21	SDBIP and PMS	Standing committee meeting: PMS Reporting Quarter 1 and 2, and SDBIP Turnaround	Six months progress reports and 2011/12 SDBIP Turnaround	Managers, Portfolio Heads	16 -19 Jan 12

22	Budget and PMS	Extended EXCO Legotla	2010/11 Annual Report, 2011/12 Half year report and adjustment budget, SDBIP Turnaround	MM, CFO, EXCO	23 - 24 Jan 12
20	SDBIP and PMS	Council Meeting	Adoption of 2010/11 Annual Report, 2011/12 Six months PMS Reporting, SDBIP Turnaround and Adjustment Budget	MM, IDP and PMS Coordinator, Strategic Manager	2 Feb 12
22	IDP and Budget	Extended IDP Steering Committee/Intersectoral forum	Progress Reports by Departments, final plans and budgets from Departments, review objectives and strategies	MM, Intersectoral forum	21-24 Feb 12
23	IDP and Budget	1 st Council Strategic Session	Prepare Draft IDP and Budget	MM, CFO, Council	29 Feb - 2 Mar12
24	IDP, Budget and PMS	Council Meeting	Tabling and Adoption of Draft IDP and Budget, Quarter 3 PMS Reporting	MM, Council	28 Mar 12
Phase 3: Projects: April 2012					
25	PMS	Management Meeting: PMS Progress Reporting 2011/12 Quarter 3	Evaluate achievement of targets and identify service delivery gaps	MM, Managers	2-3 Apr 12
26	IDP and Budget	Advertise Draft IDP and Budget for public comment, and public consultation	Solicit public comments on the draft IDP and Budget	IDP and PMS Coordinator and Strategic Manager	5-20 Apr 12
27	IDP and Budget	Send copies of IDP and Budget to relevant stakeholders	Furnish the MEC for local government with copies of the IDP and Budget for assessment and comments	IDP and PMS Coordinator	5 Apr 12

28	PMS	Standing committee meeting: PMS Progress Reporting 2011/12 Quarter 3	Evaluate achievement of targets and identify service delivery gaps	MM, Portfolio Heads	10-13 Apr 12
29	PMS	EXCO: PMS Progress Reporting 2011/12 Quarter 3	Evaluate achievement of targets and identify service delivery gaps	MM, EXCO	20 Apr 12
30	IDP	IDP Rep. Forum	Report on revised objectives, strategies and draft budget	IDP and PMS Coordinator, Strategic Manager	26 Apr 12
31	IDP	Consolidate Inputs	To Inform 2012/2017 Priority Projects	IDP Coordinator	30 Apr 11
Phase 4: Integration: May 2012					
32	SDBIP	SDBIP Session	Strategic Planning for 2012/13, Risk register	MM, Managers	2-4 May 12
33	IDP, Budget, SDBIP and PMS	Council Strategic Session 2	Evaluate achievement of targets and identify service delivery gaps Quarter 1-3, alignment of IDP Objectives, strategies and projects with budget, policies and by-laws	MM, Council	8-11 May 12
34	IDP, Budget, SDBIP and PMS	Council Meeting	2012/17 IDP, Budget, SDBIP, PMS, Policies and By-laws	MM, Council	25 May 12
Phase 5: Approval: June 2012					
35	PMS	2012/13 Performance Management Contracts and Score cards	Performance Management	Corporate Services Management, IDP and PMS Coordinator	15 Jun 12

Note 1: The IDP/Budget also refers to all other IDP and Budget Related Policies to be reviewed and/or approved

Note 2: SDBIP and Performance Contracts to be included in Budget Approval Process.

Public Consultation and Planning

In pursuing the legislative mandate and its mission, Ntabankulu Local Municipality has vigorously engaged community members outlining the process plan to be followed in developing 2012/2017 Integrated Development Plan and 2012/2015 MTEF Budget.

The municipality embarked on programs that involved stakeholders in pre-planning, planning and implementation of the IDP, Budget, SDBIP and PMS Process Plan. On 05th August 2011 the IDP, Budget, SDBIP, PMS process plan was presented in the IDP Engagement Session, where organs of state, members from religious fraternity, business sector and Ntabankulu Councilors were represented. This was done to solicit inputs and commitment from all stakeholders in the implementation of the Process plan.

Ntabankulu Local Municipality Council adopted the IDP, Budget, SDBIP and PMS process plan on **29th August 2011**, after which it was submitted to the Department of Local Government and Traditional Affairs, Provincial Treasury and Alfred Nzo District Municipality. The process plan was further published on the Daily Dispatch and Kokstad Fever to solicit inputs from all stakeholders.

6 Alignment of Budget with Integrated Development Plan

The IDP, however, contains information on developmental needs submitted by the community that may not be covered in the Budget. There should not be an expectation that everything contained in the IDP is funded. There are numerous needs submitted that are not the responsibility of the NLM, but that of either the National or Provincial governments. However, these inputs will be analysed and discussed stakeholders such as government departments, ward committees, CDW NGO's and private sector to refine what can be implemented. The funding process is based on the priorities identified in the IDP, as shown in the relevant tables in this document.

7 Budget Related Policies Overview and Amendments

Section 18 of the Municipal Finance Management Act (MFMA) states that the Budget can only be funded by realistically anticipated revenue to be collected, and cash-backed accumulated funds from previous years, which was not committed for other purposes. Furthermore, National Treasury Circular 42 stipulates that the Budget be managed in a full accrual manner reflecting a transparent budget and accounting system approach. The MFMA further requires the municipality to adopt and implement a tariff policy. Council has approved for public participation policies for main services provided by the municipality, which are attached as annexures to this document. Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirements of the MFMA (Chapter 4, 17 (1) (a) and (3) (b)).

The policies to be attached are as follows:

- Indigent Policy for 2012/2013
- Investment Policy for 2012/2013
- Property Rates Policy for 2012/2013
- Write Off Policy for 2012/2013
- Fraud Prevention policy for 2012/2013
- Asset Management Policy for 2012/2013
- Credit Control and Debt Collection Policy 2012/2013
- Supply Chain Management Policy 2012/2013

8 Budget Assumptions

8.1 National Treasury provided guidance in MFMA Circular No. 58 issued in terms of Municipal Finance Management Act No. 56 of 2003 regarding inflation:-

Fiscal year	2010 Actual	2011 Estimate	2011/12	2012/13 Forecast	2013/14
Headline CPI Inflation	3.3%	5.0%	5.4%	5.6%	5.4%

8.2 The inflation rate to be used for calculating wage increases

The period of the salary and Wage Collective Agreement 2009/10 to 2011/2012 has come to an end. In the absence of other information from the South African Local Government Bargaining Council, we have utilised the previous year National Treasury benchmarking to calculate the salary adjustment which is 6.08%

Note that Municipal Managers and those employees appointed as managers directly accountable to the Municipal Managers in terms of Section 57(6) of the Municipal Systems Act 32 of 2000 are included in the above mentioned calculation in which 6.08% has been utilised.

8.3 For the period 1 July 2012 to 30 June 2013, Eskom will increase the municipal tariff rates for bulk electricity by 27.06 per cent.

8.4 Collection rates

In accordance with relevant legislation and national directives, revenue recovery rates are based on realistic and sustainable trends. Ntabankulu's collection rate is set at an average of 21% and is based on a combination of actual rates achieved to date and estimated outcomes of the current financial period.

9 Funding the Budget (including fiscal overview and sources of funding)

9.1 FUNDING OF THE CAPITAL BUDGET

The 2011/2012 capital budget amounts to R28.6 million.

Summary of Available Funds (Internal Funds and External Loans)

It is proposed that the multi-year capital budget be funded as follows:

Internal Funds

The following funding sources are available:

- Operating Income – An amount of R 3,2 million for the 2012/2013 financial year and R 3.5 million for the 2013/2014 and R 3,8 million for the 2014/2015 are estimated to be available from surplus cash generated from operations as well as possible savings on the approved capital budgets.

External Grants

As in previous years, the Municipal Infrastructure Grant (MIG) and funds the bulk of the externally funded projects.

9.2 FUNDING OF THE OPERATING BUDGET

The Operating Budget is funded from the following main sources:

- Assessment Rates;
- Tariffs levied for Services, i.e. Refuse Collection; and
- Operating Grants and Subsidies.

Assessment Rates. The Municipal Property Rates Act will be implemented on July 1 2012. The assessment rates will be levied on both land and improvements value. In terms of section 46 of the Act, the market value of a property, if sold on the date of valuation in the open market by a willing seller to a willing buyer, is to be realised in the valuation roll.

Income derived from **services** is mainly used to fund the cost rendering the service (both operating and capital needs).

The income received in the form of the Equitable Share Grant has increased significantly over the past year from R 54 929 000 to R 62 559 000.

10 Annual budgets and service delivery and budget implementation plans

– Internal departments

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing its delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Monthly projections of –
 - (i) Revenue to be collected, by source, and
 - (ii) Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The Honourable Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the Budget. In addition, the Honourable Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the Budget of the municipality. It is an expression of the objectives of the Council in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2012 to 30 June 2013 (the financial year). It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of financial and non-financial performance of the municipality, and allows the Municipal Manager to monitor the performance of the Section 57 Managers, the Mayor/Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Council.

The SDBIP for the 2012/2013 financial year will be approved by the Executive Mayor in May 2012 following approval of the Budget.

11 **Municipal Manager's Quality Certification**

I **Mr. S Tantsi**, Municipal Manager of the Ntabankulu Local Municipality hereby certify that the draft budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act 56 of 2003 and the regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature

Mr. S Tantsi
Municipal Manager
Ntabankulu Local Municipality

Date

Annexure

Summary of key issues

National priorities – Creating Decent Employment Opportunities

1. In drafting 2012/2013 budgets and MTREFs municipalities are urged to continue to explore opportunities to main stream labour intensive approaches in delivering services, and more particularly to participate in the Extended Public Works Programme.
2. The municipality ought to focus on maximising its contribution to job creation by
 - ✓ Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
 - ✓ Ensuring that service providers use labour intensive approaches
 - ✓ Supporting labour intensive LED projects
 - ✓ Participating fully in the Extended Public Works Programme
 - ✓ And implementing interns programme to provide young people with on-the-job-training

Headline inflation forecasts

3. The headline inflation forecast for 2012/13 is 5.4 per cent. Municipalities must take this into consideration when preparing their budgets.

Revising rates, tariffs and other charges

4. Municipalities should continue to explore appropriate ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services

Funding choices and management issues

5. Municipal revenues and cash flows are expected to remain under pressure in 2011/12 and so municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts
6. Municipalities must pay special attention to controlling unnecessary spending on nice-to-have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising and public relations activities.
7. Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services.
8. Allocations to “Mayoral Discretionary Funds”, “Special Projects”, “Special Events” or similar discretionary type funds are discouraged.
9. Municipalities are urged to allocate all Ward Allocations in tabled and approved budgets.

Conditional transfers to municipalities

10. To bring legal certainty to the process of managing unspent conditional grant funds, section 20 of the 2012 Division of Revenue Bill regulates the process.
11. Municipalities may not rollover unspent conditional grant spending in terms of section 28(2)(e) of the MFMA. Written permission to spend these rolled over funds will be given by National Treasury.

The Municipal Budget and Reporting Regulations

12. All municipalities must prepare budgets, adjustments budgets and in-year reports for the 2012/13 financial year in accordance with the Municipal Budget and Reporting Regulations. In this regard, municipalities must comply with both:
 - ❑ The formats set out in Schedules A, B and C; and
 - ❑ The relevant attachments to each of the Schedules (the Excel Formats).
13. All municipalities must do a funding compliance assessment of their 2012/13 budgets in accordance with the guidance given in MFMA Circular 42 and the MFMA Funding Compliance Guideline before tabling their budget, and where necessary rework their budget to comply so that they table a properly funded budget.

Budget process and submissions for the 2012/13 MTREF

14. The deadline for the submission of approved budgets is ten working days after the council approves the annual budget.